

# **EXHIBIT E**



June 23, 2006

Mr. Donald L. Citak, Esq.  
Citak & Citak  
270 Madison Avenue, Suite 1203  
New York, New York 10016

**Re: Insured: Citak & Citak**  
**Policy: St. Paul Fire & Marine Insurance Company, Lawyers**  
**Professional Liability Policy No. 507JB0670, effective**  
**April 28, 2006 – April 28, 2007**  
**Matter: Stuart Marton**  
**Tracking no.: MB12104**  
**Claim no.: 0507JB0670-22H001**

Dear Mr. Citak:

I am writing to confirm the conversation I had with you about the above matter and to formally advise you that the matter does not appear to fall within the above-referenced St. Paul Policy. This matter was submitted to me for review under St. Paul Fire & Marine Insurance Company ("St. Paul") Lawyers Professional Liability Policy No. 507JB0670 (the "Policy"). The Policy is subject to a \$1,000,000 limit of liability each claim and a \$5,000 deductible each claim.

As stated in the pertinent section of the insuring agreement, the Policy provides coverage for damages for which a "claim" is first made against an insured and reported to us within the "policy period". In addition, under paragraph G of Section VII "Exclusions", the Policy does not apply to "claims" arising out of any error, omission, negligent act or "personal injury" occurring prior to the inception date of the Policy if any insured prior to the inception date knew or could have reasonably foreseen that such error, omission, negligent act or "personal injury" might be expected to be the basis of a "claim" or "suit". The Policy inceptioned on April 28, 2006 and has a policy period of April 28, 2006 to April 28, 2007.

On June 15, 2006, you notified your agent of a "potential" claim by letter dated June 15, 2006. This matter involves a complaint filed by Stuart Marton on December 23, 2005

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with the Departmental Disciplinary Committee for the Supreme Court, Appellate Division.

According to Mr. Marton's complaint, he hired your firm to represent him against a contractor who walked away from renovating his home in violation of a contract. You filed a lawsuit, which the court dismissed because the court said that the case had to be arbitrated. You filed for arbitration on Mr. Citak's behalf, but the AAA would not accept the case because the contractor would not agree to arbitration. Marton claims that you never informed him that the AAA would not take the case and did not generally respond to him thereafter. Citak did not return to court after the contractor refused to arbitrate.

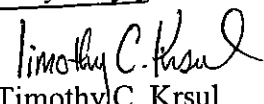
On February 8, 2006, your firm responded in writing to Mr. Marton's complaint denying his allegations. Under the circumstances, it appears that you knew or could have reasonably foreseen that this matter might be expected to be the basis of a claim prior to April 28, 2006.

Further, your firm's application for insurance, which is dated January 20, 2006, asks: "has any attorney for whom coverage is sought been. . .the subject of a disciplinary complaint. . . ." Your firm answered "no". The application required your firm to "immediately notify" St. Paul of any changes to any information in the application prior to the effective date of any policy issued by St. Paul. It does not appear that St. Paul was notified of this matter prior to April 28, 2006.

Consequently, it does not appear that this matter would fall within coverage under the St. Paul Policy. If you believe I have reached this conclusion in error, please advise me, and I will revisit coverage under the Policy. Accordingly, St. Paul will not be providing coverage, and I will close the file. Under the circumstances, St. Paul reserves all of its rights and defenses under the Policy and applicable law.

Please feel free to contact me with any comments or questions regarding the matters raised in this letter.

Very truly yours,

  
Timothy C. Krsul  
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cc: Demetrius McCord (JLT) via e-mail